

Trust Land Management Division Work Accomplishments FY 2007



TRUST LAND MANAGEMENT DIVISION

Personnel Management

- A. Develop a work environment that fosters cooperation, trust, safety, motivation, and job growth.
1. Strive to create a safe working environment by routinely inspection subordinate work areas, promptly addressing unsafe working conditions, and reporting all accidents/injuries in a timely manner to the appropriate personnel.
- Eleven Workers Compensation Claims filed in FY 2007, including injuries of trust land employees on fire assignments.
- B. Coach, develop, and mentor employees.
1. Provide leadership training opportunities to employees to promote professional development.
- Conducted “Leadership Challenge Workshop” on 12/16 – 12/17, 2006, which was attended by 21 employees.
 - TLMD/Forestry employees completed the following training:

<u>Training</u>	<u># of Attendees</u>
Access	5
Advanced Communication	5
Conflict Management	4
Delegation, Comm., Conflict	4
Effective Supervision	7
Excel	2
Office Ergonomics	20
Word	2
Working with the media	3
Performance Management	14
PowerPoint	2
Slips, Trips, & Falls	3
Time Management	5

2. Provide technical training opportunities to employees to promote job competency.
3. Recognize outstanding performance in a timely manner.
- 32 POP Awards were given out in FY 2007.

4. Identify candidates for annual awards recognition by May 15, 2007.
 - Administrator's Award – Bob Sandman
 - Forester of the Year – Chris Pileski
 - Land Use Specialist of the Year – Dave Mousel
 - Staff Support Award – Stephanie Kellogg
 5. Promote accountability of all employees through appropriate use of incentive and disciplinary measures.
 6. Complete all performance appraisals and career development plans by December 31, 2006.
 - Completed.
- C. Continue to refine Pay Plan 20, with employee input, to encourage future movement toward market.
- Paragon of Performance criteria was broadened to include pay for sustained performance.

Enhance Rate of Return from Trust Lands

- A. Allocate personnel to programs to promote highest return from land while meeting statutory obligations.
1. Generate \$70 million in gross revenue from trust land management activities.
 - FY 05 Gross Revenue from land management activities: \$60 million.
 - FY 06 Gross Revenue from land management activities: \$80 million.
 - FY 07 Gross Revenue from land management activities \$78 million, including \$10.9 in land banking revenue.
- B. Limit increases in operational costs.
- Operating expenses of \$2.9 million in FY 2007 are reduced compared to \$3.1 million FY 2006.

C. Implement programs to increase trust land revenue.

1. Participate fully in oil and natural gas development in eastern MT.
 - In FY2007, oil and gas prices fell from FY06 record highs and resulted in a decrease in *new* leasing, however, the total number of leases increased this year due to a drop in the turnover of canceled and expired leases. Similar to last year, oil and gas leasing increases accounted for a majority of the 7.7% increase in the number of leases managed. Producing leases dropped to 621 from 624 in FY06, as a loss in producing gravel permits canceled out the slight increases in producing oil and gas leases. Oil and gas leases on State Trust Land account for nearly 1.8 million acres which equates to 96.7% of all acreage leased for minerals.
 - The Land Board approved 49 CBM wells on state lands as part of two separate amended Plan of Developments in previously developed parts of CX field, Big Horn County, Montana.
 - a. Acquire an FTE for Glasgow to manage Oil and Gas workload.
 - o Completed. New Land Use Specialist hired at the Lewistown Unit November 2007.
2. Utilize land banking to dispose of poor performing properties (20,000 acres) while acquiring accessible higher revenue-producing properties (23,000 acres).

Land Sold by County and Grant FY 2007						
County	Acres	Value	Land Class	Annual Income	Grant	Return
Chouteau	320.00	\$60,800	Grazing	\$364	State Reform School	0.60%
Chouteau	640.00	121,600	Grazing	780	Common Schools	0.64%
Custer	9,585.19	1,461,800	Grazing	11,369	Common Schools	0.78%
Flathead	85.20	6,400,000	Other	1,119	Common Schools	0.02%
Garfield	6,400.00	947,012	Grazing	8,614	Common Schools	0.97%
Madison	479.08	886,298	Grazing	601	Common Schools	0.07%
Powell	80.00	424,000	Forest	110	Common Schools	0.03%
Treasure	<u>1,600.00</u>	<u>368,000</u>	Grazing	<u>2,039</u>	Common Schools	<u>0.57%</u>
19,189.47		10,669,510		\$24,996		0.80%

- Land Acquired - Twenty parcels were nominated for acquisition in the land banking program. Six parcels were purchased for \$9,096,766 with a total acreage of 24,295 as shown in Table 9. The lands purchased are projected to generate 7.5 times more revenue annually and are legally accessible providing public recreational opportunities.
3. Develop high-potential commercial and residential properties in urban growth areas.
 - Issued a lease for Forest Service office on Spring Prairie in Kalispell.
 - Holiday Inn Express opened on Spring Prairie.
 - Issued a lease for a Meineke Brake shop on the Lewis and Clark subdivision in Bozeman.
 - Issued a license for a cellular tower on the Mandeville parcel in Bozeman.
 - Goldberg lease on Spring Prairie in Kalispell opened several new businesses on the lease site including McDonalds, Wells Fargo Bank, Starbucks, and Famous Dave's. There are more pads to be developed in association with this lease in the future.
 4. Implement new surface damage payments policy.
 - Completed. Generated \$229,144 in payments in FY 2007, compared to \$144,433 for FY 2006.
 5. Develop and draft legislation for agricultural cash leasing.
 - Completed, but did not pass in the 2007 Legislative Session.
 - a. Consider storage of state grain.
 - Completed an analysis of grain storage.
 6. Consider marketing timber sales to maximize price (size of sales, timing of sales, location, and timely salvage of burned timber).
 - Insect & Disease Salvage Sales (I&D) – 10 sales, 29,516 MBF (27,216 MBF in sales and 2,300 MBF in permit volume). I&D Sale and permit volume represented 55.3% of the total annual sustained yield sold in FY 2007.
 - Fires Salvage Sales – 5 sales, 6,798 MBF (6,548 MBF in sales and 250 MBF in permit volume). Fire salvage and permit volume represented 68% of the total sustained yield sold in FY 2007.

7. Implement the Whitefish Plan and seek out other conservation leasing/easement opportunities.
 - Three proposals were presented to the division:
 - A proposal to construct and maintain the trail system.
 - A conservation oriented land exchange.
 - Accommodation of sanitation drain fields, outstanding private access issues, and sanitation system needs for the trust land development.
8. Break suitable classified grazing lands and convert to classified agriculture.
 - 560.6 acres of grazing land was converted to agriculture.
9. Secure permanent access to trust lands – 10,000 tributary acres.
 - Total trust land acres accessed: 9,895 acres.
 - New public access to trust land: 12,617 acres.
 - Miles of road received: 23.82 miles.
 - Miles of road granted: 18.07 miles.
10. Diversify trust land portfolio through land exchanges/land banking.
2030 Goal: 68% grazing, 20% agriculture, 10% timber, 2% other.

Land Sold via Land Banking (7 counties) - 99% inaccessible

<u>Land Class</u>	<u>Acres</u>	<u>%</u>	<u>Sales Price</u>	<u>Annual Income</u>	<u>Rate of Return</u>
Grazing	19,024	99.2%	\$3,845,498	\$23,767	0.62%
Forest	80	0.4%	\$424,000	\$110	0.03%
Other	<u>85</u>	<u>0.4%</u>	<u>\$6,400,000</u>	<u>\$1,119</u>	<u>0.02%</u>
Total	19,189	100.0%	\$10,669,498	\$24,996	0.23%

Lands Acquired via Land Banking (6 counties) - 100% accessible

<u>Land Class</u>	<u>Acres</u>	<u>%</u>	<u>Purchase Price</u>	<u>Est. Income</u>	<u>Est. Rate of Return</u>
Grazing	19,940	82.0%			
Ag	1,894	7.8%	\$7,426,256	\$119,725	1.61%
Forest	<u>2481</u>	<u>10.2%</u>	<u>\$1,672,371</u>	<u>\$33,650</u>	<u>2.01%</u>
Total	24,315	100.0%	\$9,098,627	\$153,375	1.69%

Resource Management/Stewardship

- A. Complete all agricultural and grazing lease renewal evaluations and take corrective actions to address any management problems.
- Completed inspections for 903 leases containing 1,470 tracts. Twenty-eight Leases were issued with five-year terms, the balance for ten year terms. Approximately 28 leases were issued with associated agriculture uses and 98 leases issued with special lease stipulations.
- B. Complete timber sale inspection reports and take corrective actions to address any management problems.
- The timber sale inspection form was significantly revised in FY 2006 to improve documentation and feedback to the purchaser on timber sale compliance and performance. Inspection reports for active timber sales are filled out by the sale administrator with copies given to the purchaser and placed in the timber sale file.
- C. Identify and resolve minerals management problems on oil, gas, or coal leases.
- Conducted 625 field reviews by field office and mineral type.
- D. Inspect all cabin/homesite and special leases/licenses currently up for renewal/review and/or areas in decline and take corrective actions to address any problems.
- Completed 167 inspections and 2 follow-ups.
- E. Develop and implement DNRC/TLMD weed management plan.
- HB 37 Weed Control on State Land was passed by the 2007 Legislature. This program to pay for noncompliance of spraying noxious weeds on trust land will be implemented in FY 2008.
 - Ongoing – Weed management plans at the area land offices.
 - Statewide weed management plan is in process.

- F. Complete Forest Improvement projects within budgets, treatment plans and timelines.
- The Forest Improvement (FI) program involves implementing projects that improve the condition and revenue potential of forested state trust lands. FI projects completed during FY 07 included planting, burning, growing seedlings, tree improvement efforts, thinning, weed spraying, regeneration surveys, access acquisition, road inventories, and road maintenance. All FI projects were conducted within allocated budgets and timelines and met or exceeded accepted resource management standards.
- G. Complete State Forest Land Management Plan monitoring requirements and utilize data to design future projects.
- The State Forest Land Management Plan (SFLMP) Implementation Monitoring Report for fiscal years 2001-2005 was completed and published in October of 2005. The next 5-year monitoring report cycle for fiscal years 2006-2010 is currently underway with data being collected through timber sale inspection reports, BMP audits, and ongoing monitoring projects. This monitoring information is used in training sessions with field staff to continually improve resource management through better timber sale design and mitigations.

Budgeting

- A. Allocate and manage budgets within established parameters.
1. Complete budget allocation of HB 2 by org by July 30, 2006 for FY07. Complete budget allocation of pay plan increases by October 1, 2006.
 - Completed.
 2. Review mid-year budget analyses provided by Bureaus/Area Offices and prepare Mid-year report for Director and TLMD/CSD Administrators by February 28, 2007.
 - Completed.
 3. Re-allocate budgets to address unforeseen shortfalls in personal services by April 30, 2007.
 - Completed.

4. Complete FY07 year-end projections by May 21, 2007 and reallocate resources to address year-end operating and capital priorities across the division.

- Completed.

Planning and Fiscal Reporting

- A. Complete draft Habitat Conservation Plan (HCP). Final EIS to be completed by FY08.
 - Hired new USFWS HCP Project Manager. Compiled draft HCP for internal review by DNRC and USFWS.
 - Compiled comments from internal review on draft HCP and finalized revisions based on comments. Prepared draft figures for publication with the HCP and EIS.
 - Received USFWS HCP Planning Assistance Grant for \$574,000.
 - Prepared cost estimates associated with each of the alternatives analyzed in the EIS.
- B. Participate in the EQC studies for contract harvesting (HJ 33) and TLMD administrative funding issues. Develop EQC recommended legislation for contract harvesting.
 - Completed. SB 25 passed the 2007 Legislative Session.
- C. Prepare for and participate in the FY08/09 biennial legislative session.
 1. Draft legislation on Land Banking, Carbon Sequestration, Trust Land Funding, and Weed Management.
 - Completed. SB 131, HB 19, and HB 37 passed in the 2007 Legislative Session.
 2. Identify sponsors for DNRC initiated legislation.
 - Completed.
 3. Complete fiscal notes as required.
 - Completed.
 4. Conduct an orientation for legislators on DNRC-TLMD programs by 12/31/06.
 - Completed.

5. Testify on appropriate bills during the legislative session.

- Completed.

D. Complete TLMD Marketing Plan.

- Not completed.

E. Complete Land Banking Informational Report by December 15, 2006.

- Completed.

F. Complete Return on Asset Report for FY06 by November 30, 2006.

- Completed.

G. Complete the FY06 Annual Report by October 30, 2006.

- Completed.

H. Complete the Scoreboard Study by December 1, 2006.

- Draft Completed.

AGRICULTURE & GRAZING MANAGEMENT

Lease Inspections and Evaluations

- Completed inspections for approximately 903 leases containing 1,470 tracts. Twenty-eight leases were issued with five year terms, the balance for ten year terms. Approximately 28 leases were issued with associated agriculture uses and 98 leases issued with special lease stipulations.

Lease Management

- Approved approximately 57 cash leases.

Lease Administration and Assistance

- Reviewed 45 improvement requests.
- Reviewed and approved 548 assignments.
- Reviewed and approved 20 sublease applications.
- Reviewed and approved 309 pasturing agreements.
- Reviewed and approved 4 custom farming agreements.

Federal Farm Program Administration

- Direct and Counter-cyclical Payments Program (DCP) – Reviewed and approved DCP contracts (CCC 509's) for all (approximately 2,000) farms containing state agricultural lands.
- Loan Deficiency Program (LDP) – Reviewed and applied for LDP contract payments on qualifying crop production from state lands.
- Conservation Reserve Program (CRP) – Reviewed and approved applications for new ten-year CRP contracts, maintained existing contracts on approximately 145,000 acres and reclassified lands associated with expiring contracts. Initiated renewals of CRP contracts expiring in 2008, 2009 and 2010.
- Environmental Quality Incentives Program (EQIP) - Reviewed and approved contracts for lessee participation in EQIP contracts on state lands.
- Management of State Farms – Reviewed and approved requests to recombine or break out state lands from existing Farm Services Agency farms.

Resource Development and Management

- Reviewed and responded to issues on approximately 80 water right cases.
- Concluded work on approximately 50 water right cases on state land.
- Completed restoration work at the Nye Bridges river restoration project.
- Assisted the Bitterroot Conservation District in development of a plan to replace existing irrigation diversions with portable concrete block diversions.
- Conducted willow collections and plantings for the Big Hole Grayling Restoration Project and the Red Rock Grayling Stream Enhancement Project.
- Assisted with dam safety inspection inventory on trust lands.
- Sixteen cultural/paleontologic inventories, which covered a total of 4,400 acres of land, were conducted by the DNRC staff archaeologist. The projects inspected are categorized as follows:
 - 1 road easement
 - 2 stockwater pipeline projects
 - 6 timber sales
 - 5 range renovation proposals
 - 1 gravel pit proposal
 - 1 sod break proposal
 - 2 parcels nominated for Land Banking (3200 acres)
- Documented 20 newly identified cultural resource sites during inventory. Site 24BW966 (a stone circle site at Toston) was excavated and evaluated.
- Assisted DEQ with cultural resource compliance surrounding Major Facility Siting Act issues for the proposed MATL project.
- Reviewed and consulted with the SHPO concerning, 20 consultants' reports covering a total of 380 acres of state land and 8 cultural resource sites. Those inventories were carried out in response to oil, gas or coal bed methane developments, gravel pit proposals, highway reconstruction projects, Land Banking nominations, and utility line projects.
- Provided internal review and comments on approximately 77 proposed DNRC undertakings for which EA checklists are required.
- Reviewed and consulted with the SHPO concerning, a report of findings prepared by a consulting archaeologist for cultural/paleontologic resources inventory of approximately 21,000 acres of land nominated for Land Banking in Chouteau, Custer and Garfield Counties.
- Provided assistance to the REMB with Land Banking efforts and graphics work.

FOREST MANAGEMENT BUREAU (FMB)

Forest Operations Section – The Forest Operations Section includes the timber sale, access and forest improvement programs.

Table 1 – Cut Volume and Value for FY07 (7/1/06 to 6/30/07)

Land Office	Total Volume (MBF)	Total Value (\$)
NWLO	16,682	\$4,489,992
SWLO	7,273	\$1,899,584
CLO	3,854	\$605,221
NELO, SLO, ELO	4,267	\$410,479
Sawlog Totals:	32,076	\$7,405,276
Other Misc. Products:		\$77,618
Total volume and value figures include sales and permits. Other Misc. Products include post and poles, boughs, and biomass.		

Table 2 – Sold Volume and Bid Value for FY07 (7/1/06 to 6/30/07)

Land Office	Total Volume (MBF)	Total Value (\$)
NWLO	27,109	\$7,163,545
SWLO	13,868	\$3,621,097
CLO	4,165	\$685,159
NELO, SLO, ELO	5,320	\$565,112
Permits (44)	2,869	\$571,511
Sold Totals:	53,331	\$12,606,424
*FI totaled an additional \$827,401. Therefore, the combined value of the timber sold plus FI totaled \$13,433,825 for FY 07.		

Forest Products Sales Program

- Harvested 32.1 MMBF and other miscellaneous forest products for a total of \$7,482,894 in revenue. Also collected \$1,316,404 in Forest Improvement Fees (Table 1).
- A total of 25 timber sales and 44 permits were sold in FY07 with a total estimated volume of 53.3 MMBF and total bid value of \$12,606,424 (Table 2).
- Assisted with eastside timber salvage operations from fires of 2006.
- Provided TLMS training to field staff.
- Presentation of Timber Permit process at MLA Convention and at log seller meetings.

Access Program

- Miles of ROW Granted: 18.07
- Miles of ROW Received: 23.82
- New Trust Acres Accessed: 9,895
- New Motorized Public Access: 12,617
- Finalized the trust accounting for the Cost Share Program with the USFS from program inception to June 30, 2007.

Forest Improvement

- Discontinued potted larch seed orchard experiment and sold greenhouse to the Forestry Division nursery.
- Provided Forest Nutrition Training through Intermountain Forest Tree Nutrition Cooperative to DNRC, USFS, PCTC, and others.
- Directed field personnel and facilitated use of Airshed Management System for reporting burns.
- Worked with field personnel on implementation of SFLMP and ARM for biodiversity, old growth and silviculture.
- Assisted in the analysis and writing of the forest vegetation section of the Three Creeks EIS.
- Represented DRNC on steering committees of Intermountain Forest Tree Nutrition Cooperative, Inland Empire Tree Improvement Cooperative, Inland Empire Reforestation Council, White Pine Seed Orchard Group, and MT/ID Smoke Management Executive Board.
- Planted approximately 550,000 seedlings statewide in FY07.

FY 2007 Forest Improvement Activities

Plantation regeneration surveys	8,105 acres
Tree planting	2,761 acres
Tree browse prevention ¹	867 acres
Precommercial thinning	869 acres
Noxious weed spraying	593 acres
Herbicide application ²	600 acres
Brush piling	1,668 acres
Pile burning	3,127 acres
Broadcast burning	71 acres
Road maintenance ³	18.7 miles
Hand brush work	22 acres
Cone collection	230 bushels
Rights-of-Way granted	18.07 miles
Rights-of-Way received	23.82 miles
Trust lands accessed	9,865 acres
New public access	12,617 acres
Bio-control bug releases	90 acres
Roads Inventoried and Database updated	169 miles

TECHNICAL SERVICES SECTION – The technical services section provides data, GIS and application development, analysis and support services for the forest management program and to other TLMD and Forestry Division programs.

- Stand Level Inventory Contracts – Data Collected and Inspected:
 - Missoula Unit – 18,426 acres
 - Plains Unit – 7,307 acres
 - Total – 25,733 acres
- Seasonal Inventory Crew
 - Libby Unit – Field Work Completed
 - Plot data collected for 50 stands
 - SLI data collected for 500 stands on about 15,000 acres
 - Swan Unit – Field Work Ongoing
 - Plot data collected for 5 stands
 - SLI data collected for 45 stands on about 1,350 acres
- Assisted with Pre-Timber Sale Cruising Projects on ELO (Miles City), Anaconda Unit, Kalispell Unit, Helena Unit, and Clearwater Unit.
- Developed and field tested the process for collecting plot data and for allocating and locating plot centers using the Trimble Recon as a data recorder and GPS.
- Assisted with Timber Sale Cruises on the ELO, Swan Unit, Anaconda Unit, Hamilton Unit, Stillwater Unit, Libby Unit, Helena Unit, and Plains Unit.

- Conducted the following training sessions:
 - FMB Spring Training in Missoula on new Technology Tools
 - MT Cruiser Training in Kalispell (2 sessions), Missoula, and Bozeman
 - GIS training for Jeff Collins and Dana Boruch
- Developed desktop and server versions of the new cruising/inventory software (MT Cruiser) to accept both tabular and spatial information (geodatabase). Currently working on mobile version of MT Cruiser for field data recorders.
- Developed a server version of MT Cruiser that can be accessed via TLMS
- Developed an integrated process for designing the cruise, allocating plot centers in a polygon, and importing the results into MT Cruiser and a hand held computer (PDA, Trimble Recon, or Toughbook PC) all accessible via TLMS on the user's PC.
- Inventory Data on TLMS
 - Developed the capability to view SLI data, stand map by parcel, stand map overlaid on a contour map, and stand map overlaid on NAIP photo
 - Worked on SLI updating screens to allow field foresters to enter SLI data via TLMS.
 - Developed SLI data query capability
- Provided HCP data and analysis support for forest vegetation, lynx, and grizzly bear modeling efforts.
- Updated the following GIS layers and associated data:
 - parcels, roads, potential vegetation, TLMS base maps, subsurface ownership database/map, Ag & Grazing Lease database/map, etc.
- Developed standardized map templates for vicinity maps and a manual for producing quality timber sale maps for timber sale packages.
- Collected fire mortality study data in the Sula State Forest
- Provided GIS, cruising, and technical data support for the Lolo Land Exchange with the USFS.
- Provided GIS support and/or technical assistance on over 20 other projects as requested by the unit/land offices or other TLMD programs.

Forest Planning and Implementation Section - This section has overall responsibility for the development, revision, and implementation of the SFLMP, Forest Management Rules and current development of the HCP.

Habitat Conservation Plan (HCP)

- Hired new USFWS HCP Project Manager.
- Compiled draft HCP for internal review by DNRC and USFWS.
- Compiled comments from internal review on draft HCP and finalizing revisions based on comments.
- Prepared draft figures for publication with the HCP and EIS.
- Provided HCP project updates to NWLO, SWLO and CLO staff meetings.
- Received USFWS HCP Planning Assistance Grant for \$574,000.
- Revised MOU with FWP for administration of grant funding.

- Prepared draft Implementation Agreement.
- Prepared cost estimates associated with each of the alternatives analyzed in the EIS.
- Coordinated reviews by DNRC and USFWS and compiled revisions for all affected environment write-ups for the EIS (12 resources are analyzed).
- Coordinated reviews by DNRC and USFWS, compiled revisions, and approved all outlines for environment consequences write-ups for the EIS (12 resources are analyzed).
- Developed analysis approaches and models for multiple species and resources, documented methods, managed data and developed tables and figures to support each EIS resource analysis.
- Identified all constraints and input data required to run the forest model (which generates the sustained yield calculation as well as projects various forest attributes) for the proposed HCP action alternatives to be analyzed in the EIS.
- Provided technical support on Forest Model development and outputs (troubleshooting and methodology).

Forest Planning

- Hired new MEPA Coordinator.
- Provided ID Team assistance, reviewed final internal draft of Three Creeks timber sale EIS, and compiled all FMB comments to ID team.
- Providing technical assistance and ID team participation for White Porcupine Timber Sale EIS
- Coordinated and hosted program-wide MEPA Decision Maker training
- Coordinated and hosted program-wide MEPA training – “Managing the MEPA Process and Writing Effective MEPA Documents”
- Assisted “East-side” land offices in preparing EA’s in response to fires of 2006
- Reviewed and provided QA/QC on several timber sale EA’s.

Resource Management Section – The resource management section includes the specialists (hydrologist, soil scientist, fisheries biologist, wildlife biologist) which provide overall programmatic expertise and technical support for the forest management program.

- Assisted Area Land Offices with MEPA analysis and contract design for 12 timber sales.
- Provided technical assistance to Area Land Office Resource Specialists on 7 timber sales.
- Assisted in the development of DNRC Forest Lands HCP.
 - Participated in Core Planning Team
 - Coordinated activities of Aquatic and Terrestrial Technical Work Groups.
 - Administered and managed HCP grants, contract and budgets.
- Coordinated fire rehabilitation activities on Woodchuck Fire for Missoula Unit.

- Completed design, grant funding and contracting of South Sula Stream and Fisheries Restoration Project. Initiated construction of riparian fencing.
- Completed design, contracting and implementation of Beaver Creek Stream Restoration on Anaconda Unit.
- Conducted maintenance of Blanchard Creek Stream Restoration Project.
- Completed preliminary designs for Deer Creek Stream Restoration on SLO.
- Completed Internal BMP Audits on 14 recently completed DNRC timber sales.
- Completed fish habitat surveys on 7 streams.
- Completed stream temperature monitoring on 32 sites.
- Completed preliminary fish passage stream crossing designs for 10 stream crossing structures.
- Presented results of DNRC Fish Passage Assessment Project to Land Board.
- Completed macroinvertebrate monitoring for 6 sites on the SRSF.
- Completed 58 mid-term grazing license inspections.
- Completed or initiated pre-harvest riparian condition monitoring on 4 sites.
- Completed riparian soil temperature monitoring at 18 sites on the SRSF.
- Initiated riparian soil temperature monitoring at 18 sites on the Stillwater Unit.
- Monitored the effects of timber harvest on soils and woody debris at 4 sites
- Collected baseline data for woody debris on 1 site.
- Finalized 2 draft soil monitoring reports from data collected in 2005.
- Drafted soil monitoring reports for data collected in 2006 on 5 sites.
- Developed and distributed GIS database for all soil monitoring projects completed by DNRC from 1988 to present.
- Completed monitoring and reports for 6 wildlife snag and woody debris retention monitoring projects.
- Participated in the Swan Grizzly Bear Monitoring Technical Team. Coordinated and reviewed annual monitoring report, and provided technical input and review of proposed revisions to Swan Valley Grizzly Bear Conservation Agreement.
- Represented DNRC on Northern Continental Divide Ecosystem Grizzly Bear Subcommittee and Montana Bald Eagle Working Group.
- Participated in Montana Cutthroat Technical and Steering Committees. Assisted in revision of Conservation Agreement and MOU.
- Participated in Forestry Division's BMP Work Group and Fish Passage Subgroup
- Participated in DEQ's Statewide TMDL Advisory Group.
- Participated in Swan Valley Bull Trout Work Group.
- Participated in Inland Northwest Nutrient Cooperative Annual Meeting.
- Hired, trained and supervised 3 college student interns.

Overall Forest Management Bureau Items

- Assisted in the preparation and instruction of the Leadership Challenge Workshop at Fairmont Hot Springs.
- Presentation of overall Forest Management Program at the Foresters Forum in CDL, Idaho.
- Developed Land Allocation Model for TLMD.
- Developed Financial Analysis Spreadsheets for Land Banking/Exchange Programs.
- Assisted in the revision of Land Banking Rules.
- Prepared legislative packets and provided testimony on Contract Harvesting and Carbons Sequestration Bills. Contract harvesting bill was successfully passed in the 2007 Legislative Session.
- Prepared several budget (EPP) proposals for the recent 2007 Legislative Session. The following budget proposals passed: Bridge Replacement (\$750K/LRB), Access (\$200K/biennial approp), IT (GIS initiatives & FTE), and FI Aggregate FTE.

MINERALS MANAGEMENT BUREAU

Administer the minerals management program

- Generated school trust mineral revenues of \$30.5 million in FY 2007.
- Oil production from school trust lands decreased 1 percent to 2,012,340 barrels produced, while gas production decreased 2.1 percent to 7,708,192 MCF.
- Processed 10 applications for land use licenses and 1 application for metalliferous lease, including preparation of MEPA review.
- Processed bond releases for expired mineral leases, permits and land use licenses.
- Processed 20 sand and gravel renewal applications and 3 new permit applications, including site review by field office, and preparation and issuance of permits by MMB.
- Field offices prepared and processed 1 prospecting permit application and 6 small volume permits.
- Processed 13 seismic permits applications, including site review by field office, preparation and issuance of permits by MMB.
- Processed 527 nominations, including field and other agency review, and solicitation of comments from interested public: MMB conducted four quarterly lease sales auctions, with preparation and issuance of lease agreements. Leases are for oil and gas exploration and development, and do not distinguish between natural gas from sandstone or shale formation, and natural gas from coal formations.
- Field offices assisted in approximately 50 inspections of existing oil and gas leases and improvements, including photography of all sites inspected (except CBM).
- Field offices assisted in approximately 5 inspections of existing oil and gas leases and improvements, including photography of sites inspected (CBM).
- Processed 34 reviews, including site and MEPA review by field office; with lease compliance, lessee status, depth restrictions, spacing requirements, and participation by MMB. Preparation and issuance of appropriate authorization by field office or MMB as appropriate.
- Field offices assisted in approximately 20 assists/corrective actions in identifying and resolving minerals management problems.
- Field offices reviewed approximately 30 approvals for mineral reclamation.
- Field office expressed priorities are 1) training related to field review and evaluation of oil and gas activities as needed, and 2) training on minerals portion of TLMS provided as new modules are added.

REAL ESTATE MANAGEMENT

Property Management

- Billed and received revenues for the following types of leases and licenses:

<u>Real Estate Management Revenues in Fiscal Year 2007</u>	
ROWs/Easements	\$6,574,068
Residential Leases/Licenses	1,288,897
Land Sales	10,912,599
Other Leases/Licenses	
Commercial	1,057,908
Conservation	<u>92,241</u>
Total	\$19,925,713

- Completed homesite renewals in the following area offices:

SWLO –46	CLO - 3
NWLO –79	SLO – 2
NELO –7	ELO – 4
- There were 134 new land use licenses issued.

Commercial Leasing

- Issued a lease for Forest Service office on Spring Prairie in Kalispell.
- Holiday Inn Express opened on Spring Prairie.
- Issued a lease for a Meineke brake shop on the Lewis and Clark subdivision in Bozeman.
- Issued a license for a cellular tower on the Mandeville parcel in Bozeman.

Whitefish Area Trust Lands Neighborhood Plan

Three proposals have been recently presented to the Trust Lands Management Division.

- A proposal to construct and maintain the trail system.
- A conservation oriented land exchange.
- Accommodation of sanitation drain fields, outstanding private access issues, and sanitation system needs for trust land development.

Martinsdale Wind Project

The DNRC awarded the development of two additional wind farms based on responses from requests for proposals this spring. Horizon Wind Energy based in Portland, Oregon, has made significant progress laying the groundwork for the construction of an approximately 200 MW wind farm just north of Martinsdale, Montana.

Real Estate Management Plan

- Held public meetings in Bozeman, Billings, Missoula, and Kalispell to receive public input for the future development of trust lands for residential, commercial, industrial, and conservation purposes.
- Conducted quarterly management meetings to discuss projects.
- Held annual Real Estate Identification Team (REIT) meeting.

Land Sales and Acquisition

Trust Land Sold via Land Banking					
ACRES	COUNTY	SALES PRICE	ANNUAL INCOME	GRANT	RETURN
320	Chouteau	\$ 60,800	\$ 364	State Industrial School	0.60%
640	Chouteau	\$ 121,600	\$ 780	Common Schools	0.64%
9,585	Custer	\$ 1,461,800	\$ 11,369	Common Schools	0.78%
85	Flathead	\$ 6,400,000	\$ 1,119	Common Schools	0.02%
6,400	Garfield	\$ 947,000	\$ 8,614	Common Schools	0.97%
479	Madison	\$ 886,298	\$ 601	Common Schools	0.07%
80	Powell	\$ 424,000	\$ 110	Common Schools	0.03%
1,600	Treasure	\$ 368,000	\$ 2,039	Common Schools	0.57%
19,189	TOTAL	\$10,669,498	\$ 24,996	Overall weighted average	0.8%

Acquisitions

- Twenty parcels were nominated for acquisition. Six parcels with a total acreage of 24,315 acres for \$9,098,627 were purchased.
- The lands purchased will generate 7.5 times more revenue annually and are legally accessible providing public recreational opportunities compared to 2.9% of the acres that were sold.

Legislation – Land Banking

- A sunset of October 1, 2008 was inserted into the statute in 2003 to ensure that Land Banking was a pilot program. Senate Bill 131 passed the Legislature in 2007 to extend the sunset to 2011.

Exchanges

Five land exchanges (CB Ranch, Tarkio (Five Valleys), Rocky Boy, Goguen, and Lolo) are in various stages of completion as follows:

- CB Ranch – acquired 1280 acres in exchange for 640 acres.
Tarkio (Five Valleys) – potential acquisition of 581.80 acres in exchange for 504.46 acres.

- Rocky Boy - potential to acquire 320 acres in exchange for 1,440 acres.
- Goguen – potential to acquire 600 acres in exchange for 435 acres.
- Lolo – potential to acquire 11,336 acres of National Forest Land for the same amount of trust land acreage.
- The Tarkio Land Exchange received final approval from the Board of Land Commissioners in May 2007. DNRC has received applications for two new land exchanges, and is in discussion with the Confederated Salish-Kootenai Tribe for a land exchange.

Non-Trust Land Activity

The division facilitated the following transactions involving state non-trust land property:

- Department of Military Affairs
 - Transfer of the Chinook Armory to the City of Chinook
 - Transfer of Glendive Armory to Dawson County
 - Acquisition of two parcels at Ft. Harrison
 - Preparation for the Missoula Armory auction
- Department of Commerce's Montana Heritage Preservation & Development Commission
 - Initiation of a land exchange in Virginia City.
- Department of Corrections
 - The Pine Hills Old Campus will be transferred to Custer County in FY 2008.

Rights-of-Way

- Presented 525 rights-of-way applications to the Land Board for approval in FY 2007. Of these requests, 434 were historic easement applications submitted under 77-1-130, MCA.
- Issued an easement to the Department of Transportation for the proposed Kalispell Bypass for \$5.7 million.
- Other large easements issued included an easement to Mineral County – St. Regis Sewer District for \$315,000 and a public recreation area/shooting range to Department of Fish, Wildlife and Parks near Glendive for \$130,000.

Appraisals

- Developed appraisal guidelines for the appraisal of easement, land exchanges, sales, acquisitions and leases.

CENTRAL LAND OFFICE

Forest Product Sales

- Sold 4.6 MMBF of timber.
 - Toomey Two TS (790 MBF)
 - Lemhi Pass TS (350 MBF)
 - Crown Butte TS (1400 MBF)
 - Suzie Salvage TS (600 MBF)
 - Deer Creek Salvage (1000 MBF)
 - Teepee Creek Salvage (200 MBF)
 - Total Eclipse TP (100 MBF)
 - Miner Creek P&R (66 MBF)
 - Bear Canyon Fuels TP (80 MBF)
- Prepared 3.2 MMBF of timber for sale.
 - Lemhi Pass TS
 - Teepee Creek Salvage
 - Total Eclipse TP
 - Miner Creek P&R
 - Suzie Salvage
 - Deer Creek Salvage
 - Baker Draw (860 MBF)
- Assisted with HCP Planning (DJ Bakken is eastside representative).

Forest Improvement

- Completed approximately 34 acres pre-commercial thinning.
- Completed approximately 121 acres weed spaying on timber sale sites.
- Completed 11 acre broadcast burning project
- Completed 22 acres hand brush work

Minerals Management

- Conducted renewal inspections for gravel leases and permits.
- Conducted inspections for oil and gas renewals in Conrad Unit.

Agriculture and Grazing Management

- Completed inspections on 489 leases expiring 2/28/2007.
- Administered the existing 3,667 grazing leases.
- Completed 41 weed treatment projects on trust lands.

Real Estate Management

- Participated on advisory committees and working groups as requested.
- Completed renewal inspections on special leases.
- Processed easement applications.
- Administered recreational use management rules on state lands in CLO.
- Administered 70 Active Special Recreational Use Licenses for Outfitting.
- Administered 231 Active Land Use License within CLO.
- Completed new Commercial Lease in Bozeman

EASTERN LAND OFFICE

PERSONNEL

Provide a safe work environment.

- ELO recorded no “lost time accidents” for FY 2007.
- 10% of ELO staff and all “fire line going” employees completed 1st aid / CPR training and required Standards for Survival and Fire Shelter deployment refresher training

Maintain positive morale.

- ELO moral related as needed to staff consisting of Conflict Resolution Training and “ELO Team Building Workshop.

Provide training opportunities that advance professional skills.

- ELO staff has attended numerous professional skills training sessions throughout the FY 07 – some of the areas addressed are fire fighting, GIS-GPS location –customer services – weed and pest management, leadership.

Trust Land & Forestry Division

- A. Coordinate DNRC interagency communication interaction with local citizen organizations, local community governments, state and federal agencies and the general media.
 - ELO participated in numerous interagency forums and meetings throughout FY 07 including but not limited to Inter agency Wild land Fire Operations, Montana Association of Counties, and many Local Government meetings regarding local Disaster / Emergency Service organization involving all ELO counties. Weed management meetings professional organizational meetings in Range Management, Northern Rockies Coordination Group (wild land fire), Biomass Working Group.
- B. Implement the TLMD / FD MOU in regards to wild land fire management.
 - During the 2006-7 fire season, the ELO TLD staff (nearly 3.5 FTE) contributed nearly 6 weeks (from mid July to the end of August) towards fire suppression assistance to the FD wild land fire program. These duties were performed while simultaneously maintaining ELO TLD projects at a maintenance level.

- C. Optimize personnel performance through application of scheduled personnel “Performance Appraisal” processes.
- Year Performance Appraisals were completed on the entire ELO FD and TLD staff employees along with Career Development Tracking documents (7.5 FTE)
- D. Maintain effective transition communications with the NELO regarding the transfer of Garfield and McCone county DNRC TLMD and FD program administration to the ELO. Continue for FY 07.
- On going.

PROGRAMMATIC

Forestry Division/Fire & Aviation Bureau

- A. Coordinate fire pre-suppression, prevention and suppression preparations for 2005(06) fire season with the FD – Fire and Aviation Bureau and other state, local and federal cooperators.
- County Coop Fire Training Summary:
BWFF- S-131, RT-130, S-200, S-215, S-230, S-300, CAT Engine Academy:
16 courses presented with 318 students.
 - Coordinated pre-season fire meetings with 7 of ELO’s cooperator counties.
 - Delivered 4 new county coop fire engines to counties (Carter, Custer, McCone Richland.
 - Inspected all State County Coop fire equipment in pre-season.
 - Attended 3 Eastern Montana Fire Alliance meetings in FY 2007.
- B. Respond to fire emergencies, as per ELO/FD State County Cooperative Fire Management Plan and the Montana 6-Party Cooperative Fire Management Agreement operations guidelines.
- C.
- FY 07 the ELO Fire Program provided 39 assists to the state / county program.
 - ELO also assisted our federal cooperators 33 times.
- D. Participate in the Miles City Interagency Dispatch Center.
- On going, participated in MC Dispatch Center organizational operational meetings as necessary.

Forestry Division/Forestry Assistance Bureau

- A. Manage and enforce Montana State “Hazard Reduction Agreement” law to ensure hazard reduction of timber harvest slash.
 - 1. Conduct site visits on at least 30% of active agreements, distributed between pre-harvest, post-harvest, and during operations visits or slash inspections.
 - Approximately 7 site visits conducted in FY 07.
- B. Manage and enforce state Streamside Management Zone law and BMP guidelines and perform enforcement duties as necessary.
 - 1. Participate in BMP workshops and attend at least one BMP audit conducted within ELO.
 - Participated in one coordinated site visit for MLA BMP/SMZ workshop in Ashland MT. No audits were conducted in FY 07.
 - 2. Assist with BMP site selection and review as requested by Bureau.
 - As per above.
- C. Promote state nursery sales.
 - Presented state nursery sales options to potential local users on the ELO. Approximately 6 contacts presented.
- D. Maintain ELO involvement in the community forestry program.
 - 1. If requested, assist Bureau staff in conducting Arbor Day celebrations on ELO.
 - ELO was contacted to assist in Arbor Day celebrations but could not assist due to administrative conflicts.
 - 2. Establish “Tree City USA” designation in Miles City.
 - Coordinated with DNRC eastside Urban Forester to present the “Tree City USA program overview to the Miles City Town Council meeting.

- E. Initiate Forest Biomass information and contacts to interested constituents.
- ELO Biomass Working Group remained active with approximately 3 meetings in FY 07. ELO staff forester conducted biomass presentations to local civic groups as requested. Approximately 2 presentations conducted.
1. Contact NRCS offices within ELO to facilitate EQIP cost-share program.
 2. All completed FLEP projects are closed and expired. FLEP cost-share agreements are closed or completed by FYE.
 - None

TLMD/Forest Management Bureau

- A. Administer ELO forest products contracts efficiently and effectively, capturing optimum revenue for the school trusts.
- Prepared Pine Ridge Salvage Sale (Southern Land Office) – 2.332MMBF for sale and administered harvest of same all within FY 2007.
- B. Prepare at least 1.1 MMBF of timber for sale yearly (figure reflects update of ELO sustained yield calculations from previous 0.8 MBF yearly target to new ELO target of 1.1 MMBF – eastside harvest total to increase = 2.5 MMBF).
- As per above.
- C. Coordinate with Forest Bureau and other eastside Land Offices the eastside timber harvest targets under NELO –SLO – ELO – CLO timber zoning program.
- As per above and realigned ELO staff Forester Position Description to accomplish items as described above.
- D. Assist SLO in timber salvage requests as needed.
- As per above.

TLMD/Minerals Management Bureau

- A. Respond and facilitate increased TLMD Minerals Management Bureau activity (routine O&G permit reviews, sand and gravel permits, seismic permits and Coal Bed Methane field developments taking place on the ELO (MEPA), implement new surface damage settlements.
- Conducted approximately 50 oil and gas field reviews of proposed oil and gas development locations (MEPA – EAs).
 - Generated same amount of Land Use Licenses for the same activity through the REMB.

- B. Coordinate TLMD MMB, Surface Management Bureau and Real Estate Management Bureau, Land Use License activity for increased O&G road and pipeline development associated with O&G minerals on the ELO (MEPA).
- As per above.

TLMD/Surface Management Bureau

- A. Complete TLMD Surface Management Bureau lease renewals on the ELO (approximately 300 lease renewals across the ELO).
- Completed all FY 2007 lease renewals.
- B. Take corrective action for TLMD – Surface Management Bureau on surface lease violations (including crop shares).
- Generated stipulations on Water’s lease.
- C. Implement the ELO Weed Management program and assist cooperators in collaborative weed management projects.
- ELO provided Custer, Fallon, Richland, Prairie and Dawson counties with technical and financial assistance with weed suppression projects within their counties.

TLMD/Real Estate Management Bureau

- A. Assist TLMD Real Estate Management Bureau with the implementation of the “Land Banking Program” on the ELO.
- Purchased the Tongue River Ranch with assistance from the REMB. Generated all technical field reports requested from the REMB to present proposed sale to the Land Board. Included appraisal summary report – proposed grazing management plan – proposed Travel and Recreational Use plan.
- B. Coordinate management of the ELO Recreational Use Program with TLMD REMB.
- ELO TL management staff coordinating rec. use (weed and boundary identification with posts and signage) with various lessees and cooperator agencies (BLM and MT DFW&Ps).
- C. Coordinate and facilitate requests for land exchanges as needed (Sanjel USA & DMA / Armory projects).
- ELO has addressed approximately 5 requests for land exchange on the ELO (Galt – Custer County National Guard Armory – Sanjel “oil service industry”, Pine Hills Youth Correctional Facility – “sale of old campus”, Custer County Schools request for reassignment of DOC land for school development, Tongue River Ranch purchase coordination.

NORTHEASTERN LAND OFFICE

Forest Product Sales

- Forest products sold: Iron Gulch Timber Sale = 1,100,000 BF, 1000 tons pulp
Lewis Timber Sale = 350,000 BF
- Timber permits = 37,000 BF, 1,368 tons pulp

Mineral Management

- Oil and gas lease reviews = 160
- Oil, and gas wells and pipelines = 12
- Oil and gas seismic exploration = 8
- New gravel permits = 1

Agriculture and Grazing Management

- Lease evaluations and renewals = 500 leases
- Corrective lease stipulations implemented - 40
- Weed management = County weed plans in place in all thirteen NELO counties
All priority weed projects implemented or in progress
Extensive biological control efforts undertaken

Real Estate Management

- Purchased the 1,842 acre Wolf Creek agriculture / grazing property, Fergus County
- Purchased the 555 acre Capdeville irrigated agriculture property, Valley County.
- New land use licenses = 16
- Total land use licenses = 96
- Recreational Use Program:
 - New Outfitting licenses - 1
 - Outfitting licenses (SRUL) renewals = 27
 - Multiyear licenses = 11
 - Trapping licenses (RU3) - 19
- Easement applications processed = 160

NORTHWESTERN LAND OFFICE

PERSONNEL:

- ◆ Continued implementation of the NWLO reorganization. CMS was contracted to develop new and update effected position descriptions.
- ◆ Recognized 20 personnel through awards
- ◆ Hired a new Planner on the Kalispell Unit
- ◆ Hired two Management Foresters. One at Swan, and one at Plains.

FOREST PRODUCT SALES:

- ◆ Timber Sale Volume prepared for sale:
 - Timber Sales 30,543,000 board feet
 - Timber Permits 1,870,000 board beet
- ◆ Timber Sale volume harvested was 16,121,000 board feet

REAL ESTATE:

- ◆ 79 review/renewal inspections on cabin and home sites completed.
- ◆ 9 “other” real estate lease review/renewal inspections completed.
- ◆ 15 Land Use Licenses
- ◆ 11 SRUL’s issued
- ◆ Holiday Inn Express Opened June, 2007
- ◆ Glacier High School on Spring Prairie parcel September, 2007
- ◆ USFS office construction nearing completion. Scheduled occupation October 2007
- ◆ US Highway 93 Bypass easement sold to MDOT
- ◆ Reserve Loop portion of bypass construction completed September, 2007
- ◆ Ongoing Whitefish Neighborhood Plan Implementation
- ◆ City of Whitefish “Trail Runs Through It”
- ◆ Goguen Land Exchange proposal in process
- ◆ Britell’s Point of Pines access and sanitation proposal in process
- ◆ Echo Lake Fishing Access site opened Summer of 2007
- ◆ Exploring Land Banking acquisitions in Flathead
- ◆ Ongoing tribal land exchange discussion

MINERALS MANAGEMENT:

- ◆ 7 Active aggregate permits
- ◆ 1 Metalliferous lease was issued
- ◆ 6 small volume permits issued.

AGRICULTURE AND GRAZING:

- ◆ 7 intermediate inspections completed on riparian areas on classified forest tracts

RIGHT-OF-WAYS PROCESSED:

- ◆ 4 cost-share accesses acquired, 4.78 miles, granted 8.72 miles, non-cost-share .2 miles
- ◆ 2 Joint applications reviewed for Navigable Rivers-No permits required
- ◆ 13 temporary road use permits processed
- ◆ 2 temporary road use permit extended
- ◆ 4 assignments of R/W to Road Users Associations
- ◆ 1 outright grants

<u>Cost-Share</u>	<u>Miles</u>	<u>Non Cost Share</u>	<u>Land Board Approval</u>
Combest	3.99	0.24	11-06
Goat Squeezer	6.58	0.17	3-07
Barnaby-Jim	1.44		6-07
Sheep Gap	0.74	0.03	6-07
<u>Cost-Share</u>	<u>Miles</u>	<u>Non Cost Share</u>	
Total	13.50	0.20	

FOREST IMPROVEMENT:

		Kalispell	Swan	Stillwater	Libby	Plains	NWLO Total
<i>Plantation regeneration surveys</i>	acres		127		223	50	400
<i>Tree planting</i>	acres	200	112	400	403	50	1165
<i>Tree browse prevention¹</i>	acres	320		50			370
<i>Precommercial thinning</i>	acres	53	131	30	188	394	796
<i>Noxious weed spraying</i>	acres	193	107	50	1596	80	2026
<i>Herbicide application²</i>	acres						
<i>Brush piling</i>	acres	290	167	402		10	869
<i>Pile burning</i>	acres	150	763	325		250	1488
<i>Broadcast burning</i>	acres					35	35
<i>Tree improvement areas managed</i>	acres						
<i>Road maintenance³</i>	miles		20		1.75	3	24.75
<i>Hand brush work</i>	acres	128		10	19	20	177
<i>Cone collection</i>	bushels						
<i>RoW granted</i>	miles						
<i>received</i>	miles						
<i>Bio-control Bug Releases</i>	acres				50		50
<i>Roads Inventoried and Database updated</i>	miles						94

SOUTHERN LAND OFFICE

Forest Management

- Assisted with pre-sale timber establishment duties on the Pine Ridge Timber Sale.
- Assisted with the timber sale administration on the Majerus Timber sale.
- Participated in the Pine Ridge Timber Sale and Deer Creek Timber Sale internal BMP audits.
- Completed six firewood permits.
- Completed one Land Use License for hauling forest products across State land.
- Fred Bicha attended MEPA training.
- Attended the East side forest products purchasers meeting.
- Burned 35 slash piles on the Denise Sheets Timber Sale.

Minerals Management

- Completed field reviews on Waddle Creek, Heller's Peak, and Fork's Ranch CBNG Plan of Development and in the process of finalizing the draft EA for public comment.
- Completed field reviews for Corral Creek CBNG POD.
- Completed field reviews of existing CBNG POD's to check compliance with CBNG Operating and Reclamation Plans.
- Met with Fidelity, Nance, and Pinnacle concerning future CBNG projects.
- Completed five mineral LULs that support mineral development.
- Provided comments to MMB on approximately 36 tracts going out for sale.
- Reviewed three proposals for traditional oil and gas development.
- Reviewed three P & A oil wells for reclamation.
- Reviewed one gravel permit for reclamation.

Agriculture and Grazing Management

- Completed 70+ field evaluations for 2007 lease renewals by Nov 1st deadline.
- Completed 20 lease renewals for the 2008 renewal period.
- Completed 14 re-evaluations for various reasons including 2006 post-burn tracts, lessee requests, unleased tracts, and new lease tracts.
- Investigated and initiated follow-up action on 10 lease management problems including overgrazing, low production crop reporting and poor agricultural practices, unauthorized supplemental feeding and hay storage sites, an illegal dump site, illegal subleasing, and other unauthorized uses.
- Took enforcement action and developed management stipulations, including seasonal deferment, year-long rest, cross fence installation, requiring reporting livestock numbers and dates of use, dump clean-up, etc. on 8 leases.
- Monitored 20+ tracts for management stipulation cooperation and contacted 7 lessees for violations, verifications, and problem solving.

- Processed applications for improvements, assignments, and pasturing agreements on 30+ tracts.
- Administered DNRC's involvement in the Federal Farm Program involving reviewing, analyzing, and authorizing State shares and participation in the various Federal programs: LDP, DCP, and CRP. This ongoing process requires a good working relationship with the 7 FSA offices in the SLO area.
- Reviewed Seeding and Production Reports on all SLO crop leases and assisted lessees in order to accurately complete the reports.
- Participated in 14 EQIP meetings with various district NRCS personnel and lessees to review, and authorize or decline requested projects.
- Involved with and resolved two neighbor feuds regarding boundary disputes between the State and deeded properties. This time consuming involvement required numerous site visits with the hostile parties, and phone and mail correspondence.
- At the request of lessees or neighboring landowners, established 4 different property lines between State and deeded property, and in one case between two separate State leases, utilized GPS.
- Reviewed over 50 tracts and submitted SLO's high priority tracts for potential future land banking.
- Administered SLO noxious weed control program.
- Attended the MWCA annual convention in Helena.
- Monitored the success/progress/failure of 20+ past cooperative weed control projects.
- Conducted biocontrol collections and tours with lessees, various weed district personnel, and DNRC personnel.
- Assisted the Carbon County Weed Supervisor on a Salt Cedar control project on State land in Section 36-T8S-R23E along Silver Tip Creek.
- Handled numerous walk-ins and phone call regarding a wide range of land management issues regarding agriculture, grazing, recreational use, minerals, Land Banking, Land Exchange, etc.
- Issued two stock water LULs and began work on another four that are not yet completed.
- Identified and implemented control methods on 38 noxious weed projects throughout the 7-county SLO area.
- Attended meetings with the 7 County Weed Supervisors regarding weed control projects and to assess the success and status of previous year's projects.
- Monitored leafy spurge biocontrol sites on State tracts for bug establishment and dispersal. This involved collection and distribution throughout the tracts to speed up the control process.

Real Estate Management

- Completed 4 home site/special lease inspections.
- Issued 7 Land Use Licenses, processed 6 Easements, and 8 Historic Right-of Way or Utility easements.
- Participated in R-O-W working group conference calls and meetings.
- Worked with Yellowstone County and FWP on Alexander Road parking lot.
- Coordinated with FWP on signing 63 parcels of state land.
- Worked to obtain zoning and subdivision entitlements from the City of Billings on Skyview Ridge Subdivision. This was accomplished through the submittal of zone change and subdivision applications and attendance at Billings Zoning Commission and Yellowstone County Planning Board meetings.
- Administered SRUL's for 12 outfitters, 10 trappers, and 5 special requests.
- Installed large, changeable informational sign at the Jellison Road recreational use parking lot.
- Assisted in the sale preparation of one high value Land Banking parcel in Carbon County.
- Teamed with REMB to prepare RFP for a wind farm near Springdale. Currently in Phase 2 of RFP process.
- Participated in Yellowstone County and the City of Laurel's efforts to establish a Veteran's Cemetery north of Laurel, with a portion proposed on Trust Land.
- Worked with Lockwood School, Yellowstone County, and DNRC legal staff in preparation of documents to abandon and modify existing easements running through property owned by the Lockwood School and Yellowstone County.
- Administered contracts for the Master Plan update, Traffic Accessibility Study, and submission of zone change and subdivision applications for proposed Skyview Ridge Subdivision in Billings Heights.
- Received approval of annexation request into the City of Billings for property containing the proposed Skyview Ridge Subdivision.
- Hosted a public meeting in Billings regarding the implementation of the REMB FEIS.
- Attended Zoning Commission, Planning Board, City Council, and County Commission hearings to listen to testimony on land use applications near Trust lands.
- Participated in meetings hosted by FWP regarding the creation of a park master plan for the Rosebud Battlefield State Park.
- Area Planner attended Discounting & Leasing seminar in Great Falls.
- Two SLO employees attended an Easement workshop in Missoula.
- Posted signs, drove fence posts, and fixed fencing and gates on a continual basis in response to various recreational use complaints.
- Participated interagency group pursuing access trail to Crater and Lily Pad lakes.
- Reviewed multiple potential land exchange proposals.
- Participated in Real Estate Identification team meetings.
- Attended MT Association of Planners annual conference in Helena.

SOUTHWESTERN LAND OFFICE

PROGRAM ADMINISTRATION

General Administration

- Selected 2nd Thursday of each month as the planned (preferred) date for SWLO Staff Meetings.

Personnel Management

- Identified candidates for annual and special awards. Peer awards granted for Administration, Fire, Lands and Forestry Assistance. Office Managers group received Governors Award. Tony Liane received Certificate of Appreciation for work in the Land Banking program.

Budget Management

- Successfully managed FY 07 budgets.
- Increased LO and Unit "Administration" Budgets (50650) to reflect needs.
- Adjusted FTE funding to better reflect job responsibilities.

TRUST LAND MANAGEMENT

Revenues

- Gross Revenues for FY07 (from Jordan Larson) were \$3,612,000. AGM - \$392,051; FM - \$2,020,977; REM - \$1,178,292; MM - \$21,169. This is less than the \$5,000,000 projected.

TLMS

- Continue to work with Units on TLMS issues. Cindy Super and Brian Robbins are local Land Office experts. Training and trouble shooting ongoing.

Forest Management

- Prepared 15,853 MBF. Exceeded work objective by 240 MBF (will receive credit for 240 MBF in FY 08).
- Administered active Timber Sales & Permits. Had lengthy discussions regarding TS contract extensions.
- Completed four internal BMP audits.
- Completed mid term grazing evaluations
- Did not issue contract for road inventory (pending data entry on existing data and final agreement on information to collect)
- Brian Robbins assisting with development of Contract Harvesting program.
- Participated in Forest Management Advisory Committee.

Real Estate Management

- Inspected all cabin/home site leases/licenses up for renewal/review (100) – also inspected problem cabin sites including Richards and Kelley.
- Completed a portion of the conditions of Deborah Stewart settlement agreement. (Finished work in early FY08)
- Completed land survey for Copper Creek development area. Continued work on other survey projects Philipsburg, Grant Creek, and Seeley Lake North.
- Worked with Rural Initiatives in Missoula County on Seeley Lake Growth Policy. Maintained contact with Ravalli County on planning efforts.
- Assisted Fire Management Bureau in agency review comments for subdivision submittals
- Met with Rock Creek Cattle to discuss land exchange and reciprocal access agreements
- Actively participated with Nature Conservancy and the Blackfoot Challenge regarding land dispositions
- Land Exchange
 - Lolo NF Exchange – in progress
 - Tarkio Exchange – Final LB approval 5/21/07
 - CB Ranch Exchange – in progress
 - Creech Exchange – in progress
 - Lyman Exchange – Preliminary LB Approval
- Land Banking
 - Meyer Ranch Sale – Withdrawn by lessee
 - River Junction Sale – Sold 9/7/06
 - Rock Creek Cattle Sale – Preliminary LB Approval 2/07
 - Lincoln Acquisition – LB Approval 12/06
 - Monture Acquisition – LB Approval 12/06
 - Tupper Lake Acquisition – concept in progress

Agriculture and Grazing Management

- Completed all FY07 lease/license renewal inspections and submitted reports to AGMB by November 1.
- Did not initiate FY08 lease renewal inspections.
- Fully utilized available Org 6032 monies for weed control projects.

Forest Improvement

- Planted 273,740 trees on 1,000 acres.
- Completed 7,882 acres of plantation/regeneration surveys (inc. Sula Contract).
- Completed 157 acres of pre-commercial thinning.
- Completed 800 acres of tree browse prevention.
- Collected 8 bushels of cones for seedling production.
- Burned brush piles on 873 acres.
- Broadcast burning on 60 acres.
- Roads Inventoried 75 miles (included weed inventory).
- Completed 600 acre of herbicide application (vegetation control w/ planting).

- Completed 297 acres of noxious weed spraying
- Bio-control Bug Releases 90 acres (8 sites).

R/W Acquisition and Reciprocal Access

- Completed Penmain Head reciprocal access agreement.
- Completed Pry Reciprocal access agreement with Plum Creek Timber.
- Worked with Anaconda Job Corps and Deerlodge County to improve road and rectify access into Sec 16 T4N-R11W (Willow Glen SE of Anaconda).
- Successfully petitioned Granite County to declare a County Road accessing forested school trust land (Section 16, T11N-R15W; Dry Gulch).
- Secured access for timber sale projects.
 - Purchased Permanent access from BLM for Packer Gulch.
 - Secured numerous temporary road use permits for fire and bug salvage timber sales from 06 & 07 fire seasons.
- Initiated work with Maclay and Rock Creek Cattle on reciprocal access proposals. If successful these proposals will provide important public and all lawful purpose access.
- Processed applications for right-of-way across trust lands.
- Participated in R/W working group.
- Attended IRWA training in Seattle.
- Continued outreach to Counties on historic county roads with emphasis in Missoula, Ravalli and Powell Counties.
- Worked Conservation Districts and reviewed requests for navigable waters

Minerals Management

- Helped administer reclamation activities on the McDonald Gold Project east of Lincoln. Work included mapping of existing occurrences of noxious weeds, review of planned re-vegetation and weed control plans, inspection of reclaimed sites. Coordinated mineral reclamation activities with planned timber harvest.
- Reviewed and provided comments on exploration license applications by Kennicott Copper in the Copper Cliffs area southeast of Potomac. Licenses were issued by MMB.
- Reviewed and made comments lease application for Ralph Johnsrud in the Dry Cottonwood Creek area east of Deerlodge.
- Processed JD Russel application for rip-rap permit Dirty-Ike Cr (G-1424-06).
- Issued 3 small volume permits (S-1400-08 & 09 (CLW) and S-1300-08 (HAM)).